



ANNUAL REPORT

[10/11

Impendle
MUNICIPALITY

[01 July 2010-30 June 2011



→ Impendle 16

TABLE OF CONTENTS

MAYORS FOREWORD.....	1
CH. 1: INTRODUCTION & OVERVIEW.....	4
1.2 OVERVIEW OF IMPENDE MUNICIPALITY.....	4
CH. 2: PERFORMANCE HIGHLIGHTS.....	18
CH. 3: HUMAN RESOURCES AND OTHER ORGANIZATIONAL MATTERS.....	20
CH. 4: AUDITED ANNUAL FINANCIAL STATEMENTS & RELATED INFORMATION.....	24
CH. 5: FUNCTIONAL AREA SERVICE DELIVERY REPORTING.....	77
5.1. OFFICE OF THE MUNICIPAL MANAGER.....	77
5.2. INTERNAL AUDIT UNIT.....	79
5.3. FINANCIAL SERVICES.....	89
5.4. CORPORATE AND COMMUNITY SERVICES.....	99
5.5. INFRASTRUCTURE AND PLANNING SERVICES.....	113
ACRONYMS.....	138

Members of Impende Council, Impende Municipality Officials and all present, it is with great pleasure that I present the Annual Report on the activities of the Impende Local Municipality for the financial year 1 July 2010 to 30 June 2011.

In 2010/2011 the municipality continued with its attempts to ensure effective infrastructure and financial management. Social development matters as well as economic development activities also took priority. There indicators to the effect that our municipality continued to struggle with the implementation of Municipal Infrastructure Grant projects as well as GRAP compliance. The primary reason for this state of affairs remains lack of sufficient human and financial capacity.

The 2010/2011 financial year was also the local government election year. At this point we should congratulate the IEC for running a professional and successful election in Impende. Partly as a

consequence of this, the municipality started the year under leadership different from the leadership which led the municipality at the end of the year under review.

This report will outline details of both successes and challenges that continued to dog our municipality in the year under review. 2010/2011 marked the second consecutive year that the municipality obtained an unqualified report from the Auditor General albeit with areas of concern in our financial governance systems. It is our intention that the municipality should continue improving its audit outcomes and meet the target of clean audit by 2014.

In conclusion, we can say that despite limited successes the municipality faces challenges in respect of service delivery backlogs pertaining to functions rendered by other spheres or arms of state such as water, sanitation, roads, electricity as well as free basic services.

Cllr S Ndlela

Mayor - 26 January 2012



2010/2011 was characterized by the excitement of the 2011 Local

Government Election. The election proved to be one of the most contested in the history of local government elections in South Africa. Impendle was no exception. The election was conducted in a professional manner by the Independent Electoral Commission. The election ushered in changes with only three of the seven councillors being retained.

During the previous year the municipality focused on matters related to governance such as policies, public participation as well as improved audit outcomes. Until the end of their term the municipality's ward committees remained functional. Their functionality had been reinforced by the municipality's appointment of part time ward committee administrators who helped consolidate their work even further.

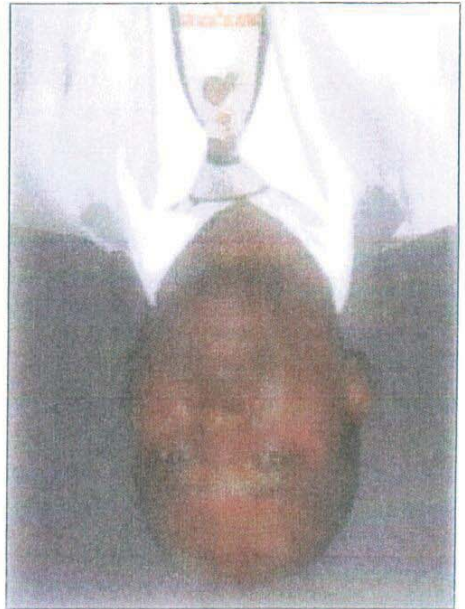
While there had been improvement in the area of Financial Management challenges persisted during the year under review. The report of the auditor general gave pointers in terms of what needed to be addressed. However the primary cause remains lack of capacity. For instance, the budget and treasury unit, the SCM unit were operated with the assistance of Financial Interns. One of these interns left the municipality for greener pastures.

Economic development and job creation is an area in which the municipality will continue to struggle for the foreseeable future. Despite attempts and a major drive by the previous management to attract investments, little or no progress was achieved. This is apart from government investments such as in the construction of the Grain processing Mill to be built in Impendle Village. The revision of the local economic development strategy of the municipality has not yielded the desired results as yet.

Institutionally the virtual withdrawal of the DBSA deployees in Impendle came meant that the municipality would face further capacity challenges. The Umgungundlovu District Municipality should be commended however, for when called upon to do so, deployed human capital in Impendle to fill the void left by the departure of the previous municipal manager.

While service delivery, with particular reference to the implementation of projects funded through the Municipal Infrastructure Grant programme did improve slightly during the year under review, huge service delivery backlogs remain. It is not only the pace of actual delivery but also the expenditure that should be accelerated.

The completion and handover of three community centres during the year under review marked an important milestone in the history of service delivery in Impendle. The rehabilitation of the taxi rank was still not complete. The delays had



been assessed and a plan put in place, however this was delayed further due to lack of capacity as well as inclement weather.

The provision of Free Basic Energy started in the 2009/2010 financial year and progressed well during the year under review. The municipality continued to provide free gas bottles and stoves to a further five hundred families, more than a thousand families received free basic energy on a monthly basis during the year under review.

In terms of intergovernmental relations and cooperation, it can be reported that the department of Human Settlement saw to the completion of the Rural Housing programme which had started a few years earlier. One of the three projects will complete in the 2011/2012 financial year. Relations with the Umgungundlovu District Municipality had improved substantially during the previous two years and remained good during the year under review. The commencement of the Novuka/Nhlabazinkhosi water scheme would be a major milestone. The department of Cooperative Governance and Traditional Affairs through the Dept of Agriculture granted the municipality funding to build a Grain Processing Plant (mill) to be located in the Impendle Village. This was an important step towards achieving sustainable local economic development in Impendle.

Despite the challenges that remain, the municipality remains optimistic about the future outlook of the municipality.

Mr. EX Muthwa

Acting Municipal Manager

26 January 2012

Submission and Tabling of the 2010/2011 Annual Report to Council

This Annual Report is prepared for submission to Limpopo Municipality Council in terms of Chapter 12, section 127 of the Local Government: Municipal Finance Management Act No. 56 of 2003.

1.1 LEGISLATIVE MANDATE

The primary legislative mandate of the municipality stems from chapter 7, section 151 (2) of the Constitution of the Republic of South Africa, which states that –

The municipality must strive within its administrative and financial capacity, to meet the objects of local government which are to:

Provide democratic and accountable government for local communities;

Ensure sustainable provision of services to communities;

Promote a safe and healthy environment; and to

Encourage communities to become involved in local government matters;

The constitution also requires municipalities to structure and manage their administrations, budgeting and planning processes in such a manner as to:

Prioritize the basic needs of the communities;

Promote the social and economic development; and

Participate in national and provincial development programmes.

These constitutional stipulations are also reinforced in section 73(1) of the Local Government: Municipal Systems Act No. 117 of 1998.

The constitution is further supported by the following Acts which were created solely for the furtherance of the municipalities' constitutional mandate:

Local Government: Municipal Structures Act No. 117 of 1998

Local Government: Municipal Systems Act No. 32 of 2000

Local Government: Municipal Finance Management Act No. 56 of 2003

Local Government: Municipal Property Rates Act No. 6 of 2004 Division of Revenue Act,

Impendle Municipality is located within the uMgungundlovu District which is regarded as the heart of the KwaZulu Natal Midlands. Impendle is situated on the western boundary of the uMgungundlovu District, and shares a boundary with the KwaSant and Ingwe Local Municipalities in the Sisonke District Municipal area. KwaSant Municipality includes such towns as Underberg and Himeville.

To the north is the uMngeni Local Municipality which is closely tied to the Impendle Municipality in terms of agriculture and potential tourism (wildlife, game viewing), and to the east the Msunduzi Local Municipality which is the capital of the province and economic hub of the District. Also to the west are District Management Areas of the Drakensberg that fall under the Transfrontier Development Initiative related to the World Heritage Site.

Impendle is the smallest municipality in the uMgungundlovu region. Its economy is predominantly rural, and highly dependent on agriculture and farming. The infrastructure is relatively poor and the municipality has insufficient resources to address basic infrastructure problems. There are however, specific natural assets which may give Impendle an economic advantage if fully explored. These include proximity to major tourist attractions, farming of woodlots, stock as well as abundant water resources.

Impendle comprise of four wards described as follows:

Ward 1

This ward is located on the Western portion of the Municipality with the western boundary of the Municipality falling adjacent to the Drakensberg Mountains. This ward is by far the largest ward in terms of geographical area and consists of scattered rural settlements which have encroached onto Nature areas. Small pockets of traditional areas are also located along roads and rivers. There are three settlements which stand out above the rest in this ward, namely: Nzinga, Stoffelton, Lower & Upper Makhuzeni, Mahlutshini, Thunzi, Nkangala/Glen and Lotheni



East of Ward 1 is Ward 2 which has as its eastern boundary the Nzinga River while the Eastern Boundary is the Impindle Mountain. This Ward consists of the following settlements, namely: Coma end See, Mckesem, Ukukhenye, Compensation, Mgodi, Mshiyebeni/Sheilish, Clushini end Mgaga.

Ward 2



Ward 3

The Western Boundary of Ward 3 runs along the Impindle Mountain while the Eastern Boundary falls roughly along the road from Boston to Impindle town to Howick. This ward consists of the town of Impindle and the following settlements: Novuka, kwaMlilaba, Khetha, Mtokezweni, Lindokuhle, Phindangene, Smilobar, Sithunjwana, Fikesuthi & the Impindle Village.

Ward 4

This ward consists mainly of the farming community of Boston and the settlements of: Gomane & Mhlambamkhosi.

Impendle represents just over 3.6% of the population of Umgungunlovu District Municipality (Umdim). The majority of people living in Impendle are black South African with very small percentages of other ethnic groups. Most households consist of four people, mostly living in either traditional dwellings or informal settlements. In terms of the Census 2007, the estimated population of Impendle is 39 401, majority (52%) of the municipal population falls within the economically active age cohort 15-64 years.

By far the majority are employed in Agriculture (60%) and Community Services (25%). Annual income per household is just under R 30,000.00, which is the lowest in the district.

Table 4.1: Impendle Population Breakdown per gender, household and employment

Total Population	39 401 (2007)
Male	18 518 (2007)
Female	20 883 (2007)
Households	7 338 (2007)
Number of persons employed	17 25 (2001)
Number of persons unemployed	4 948 (2001)

Table 4.2: Age Breakdown (2001)

0 - 4	3 894
5 - 14	9 912
15 - 34	10 588
35 - 64	6 960
Over 65	2 207
Total	33 561 (2001)

Table 1.1 Population Distribution (2007)

Population Group	Census	2007	2001	1996	Change 1996-2001	% population 1996	% population 2001
African		38 767	33 248	33 351	-0.31	98.24	99.04
Coloured		106	65	85	-23.53	0.25	0.29



Indian	0	23	22	4.55	0.06	0.07
White	524	233	342	-31.87	1.01	0.69
Total Population	39 397	33 569	33 948	-1.12	100	100

AGRICULTURE

Agriculture is the main economic activity in Impendle municipality (commercial and subsistence). Agriculture sector accounts for about 12.4% of the district economy and Impendle contributes 0.4%. Although the municipality has high unemployment rate, agriculture is the key employment sector for the people of Impendle



TOURISM

The development of Impendle Game reserve as a tourist destination is a difficult decision. Many of the species in the reserve are endangered and will not be able to cope with large numbers of tourists and additionally, tourist are likely to be specialised- interested in birds, or smaller flora and fauna. Linkages to international birding groups, and groups with scientific interest in the local species should be developed, with the option to be accommodated in Boston and Bulwer but to spend time in the reserves under controlled conditions.

Many tourists come to the area for its scenic beauty, which is threatened by uncontrolled and inappropriate development. At the same time, many also visit the area to view wildlife in all its aspects. Impendle is a particularly beautiful area but road access is poor. It could be marketed as a way stop between Howick and the trans frontier park as well as the Berg, only for 4 x 4 and especially in winter. Impendle gets snow almost every year and this will be a major attraction for many Many tourists visit the area for adventure and sports. Impendle has access in particular to fishing and possibly could develop niche sports such as hawking, hunting, photography, but especially fishing. Many small dams and rivers in the area will lend themselves to fishing activities, and a detailed plan to maximize these assets should be developed. Pony trekking and backpacking offer additional opportunities.

IMPENDLE WORLD OF TOURISM

This is a brand new tourism initiative that was launched in April 2011, the project was established by Umvithi Youth Development and endorsed the Impendle Municipality Executive Council and leadership.

The initiative is another tool for attracting both local and international tourism, to visit Impendle. This project highlights the involvement of youth in taking part on tourism and Local Economic Development opportunities.

Impendle World of tourism (IWOT) comprise of the following main activities, namely;

- Impendle world of tourism destinations and site seeing adventures
- Annual, Impendle 16 KM Marathon
- Annual Miss Impendle (beauty Pageant)
- Impendle Youth Achievers Awards

The annual elected beauty queen (Miss Impendle) is the official ambassador of the Impendle World of Tourism.

To make this initiative a success, Umvithi Youth Development has successfully partnered with many other stakeholders.



The public sector employs a substantial number of people in Impendla as teachers, nurses, police and other officials who work in government departments such as Social Development, SA Social Security Agency, Justice and so on. A large number of Impendla citizens, including Impendla Council, government employees and members of Impendla Municipality participate in the . This is another fun-filled event that draws the attention of not only the community members but also the well-known personalities from all over the province.

Impendla Easter Soccer Tournament



The function of council within the municipality is to govern and oversee the implementation of its decisions. The Council and its committee functions are administered as follows:

Full council (consists of 7 Councillors) meetings are held once per month. Council meetings are usually attended by the Municipal Manager, Senior Officials (General Managers) and officials who may be required to give background and/or explanations in respect of certain matters of the agenda from time to time. Committee meetings on the one hand are usually attended by the relevant senior managers and other officials of the department concerned.

The strategic objective for the Council and Committees are to:

Ensure that the municipality fulfil its obligations in terms of Section 152 of the Constitution of the Republic of South Africa and that the Council is focused on ensuring that the municipality delivers the mandate in the most cost effective and sustainable manner.

Table 1.3: Council meetings and Ward Committees

COUNCILLOR DETAILS	
Total number of Councillors	7
COUNCIL AND COMMITTEE MEETINGS	
Council	1 per month
Corporate & Community Services Portfolio Committee	1 per quarter
Infrastructure & Planning Portfolio Committee	1 per quarter
Finance Portfolio Committee	1 per quarter
WARD COMMITTEES	
Total numbers of wards	4
Ward meetings are held at various times during the year	Monthly

2010/2011 Council and Present Council

	Cllr. S Ndlela Mayor (ANC)
	Cllr. Gwala PR
	Cllr. Gwala Ward3
	Cllr. Mlaba PR
	Cllr. Mlaba Ward1
	Cllr. Makhave Ward2
	Cllr. Zuma PR (IFP)

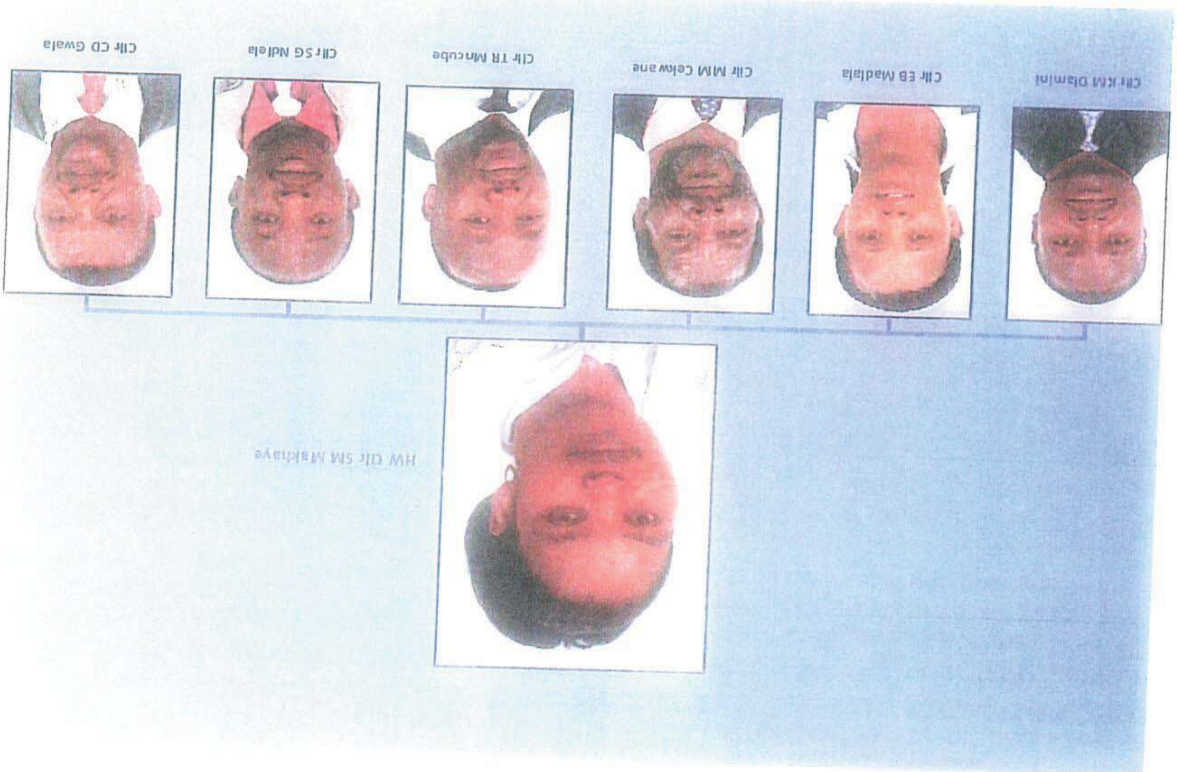
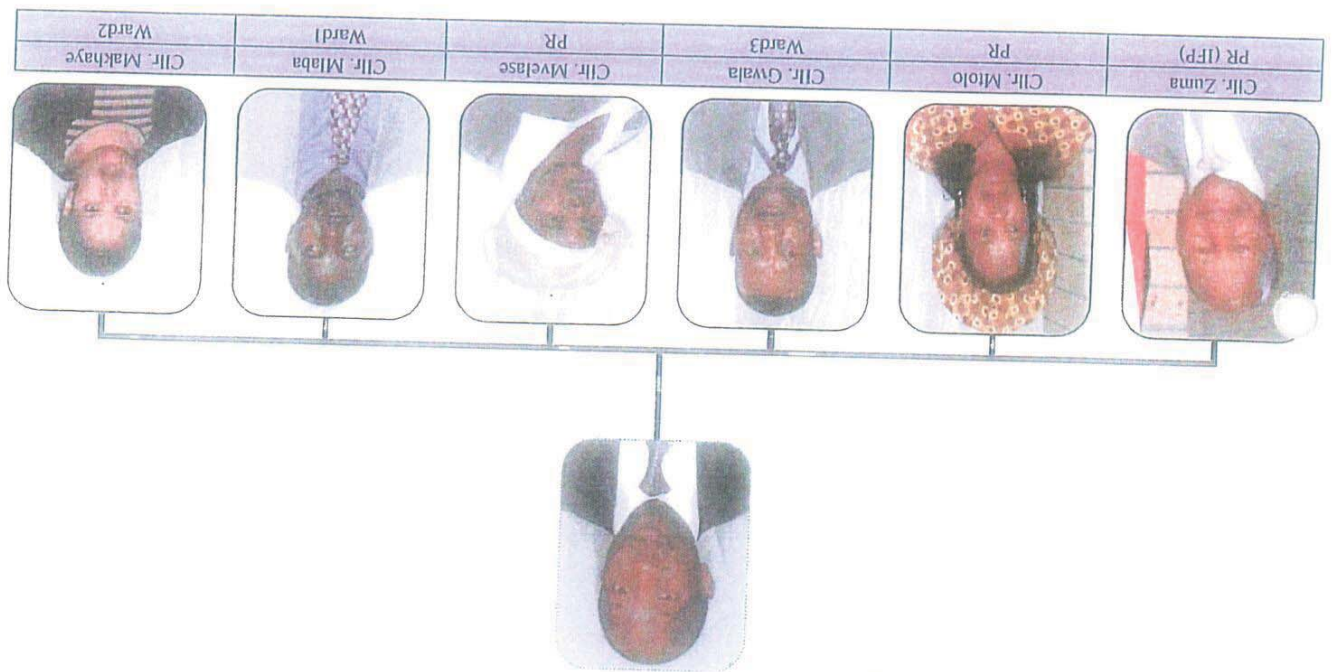


Table 1.4: Council Meetings for the period July 2010 to June 2011

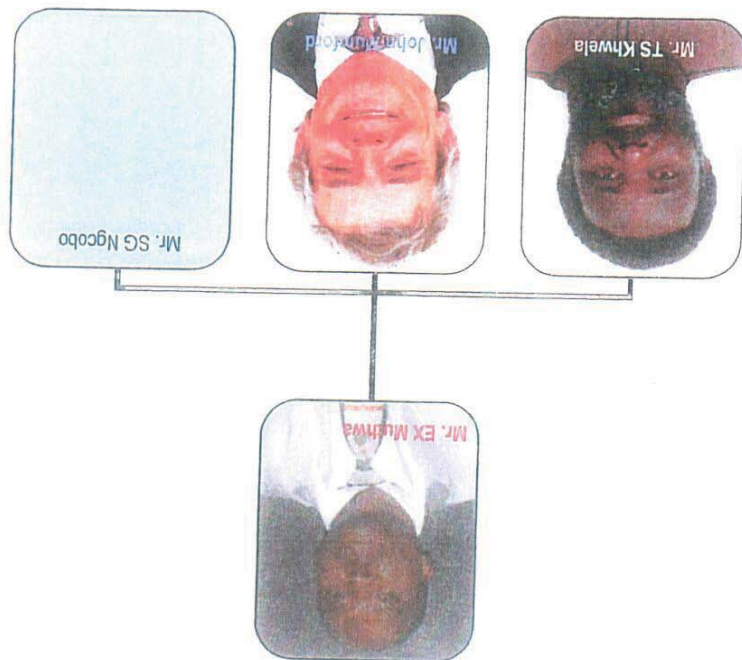
SCHEDULED MEETINGS				SPECIAL MEETINGS			
DATE	Absent	Present	% Present	Absent	Present	% Present	
2010				2010			
24 June 2010	1	6		30 June 2010	2	5	
29 July 2010	1	6		15 July 2010	1	6	
26 August 2010	0	7		22 July 2010	0	7	
30 September 2010	1	6		12 August 2010	2	5	
28 October 2010	1	6		02 September 2010	0	7	
25 November 2010	2	5		11 November 2010	0	7	
09 December 2011	1	6		17 December 2010	2	5	
2011				2011			
20 January 2011	3	4		24 January 2011	2	5	
31 January 2011	2	5		10 February 2011	2	5	
24 February 2011	2	5		01 March 2011	2	5	
31 March 2011	1	6		24 March 2011	2	5	
09 May 2011	2	5		18 April 2011	2	6	
30 June 2011	2	5		19 April 2011	3	4	
				13 May 2011	2	5	
				15 June 2011	2	5	
				27 June 2011	1	6	
				29 June 2011	2	5	

POLITICAL LEADERSHIP

Cllr S Ndaba
Mayor (ANC)



MANAGEMENT TEAM



3. INSTITUTIONAL MATTERS

Asset sales

More details

Operational Thrusong Services Centre – the centre now has its own budget and staff, albeit not permanent. The occupation increased from just three tenants to five with a number of lease agreements being negotiated with various government departments.

Establishment of a functional registry – although the establishment of the registry had begun in the previous financial year, during the year under review its operation and effectiveness improved substantially.

Funds were also secured from the Development Bank of Southern Africa to install a document management system.

3.4 kilometres of M/G funded roads projects were completed in Mhlabeni Ward 4.

Two crèches have been completed in this financial year at Fikisuthi in Ward 3 and Lower Makhuzeni in Ward 1. Two other crèches were commenced in two other areas.

One hall/crèche was completed in Ward 4 at Vazokhile in Gama. The kwelagodi centre commenced during the year under review and is expected to be completed early in the 2011/2012 financial year.

Impendle will fund by COGTA. Business plan and design was completed and funding applications submitted to fund the completion of the project. Earthworks and fencing of site quotations were called for and work to commence in July 2011.

Department of Mineral and energy funded electrification of more than 200 households in the Makhutshini. This project was completed and approved by ESKOM. However, by the end of the 2010/2011 financial year the project was awaiting ESKOM outage to connect grid.

The rehabilitation of the Impendle Stadium funded by the Department of Sports and Recreation through the Umgunundlovu District Municipality was completed during the year under review.

ROADS Rehabilitation and Maintenance

The roads maintained/construction team has worked in all the wards on rehabilitation of existing roads. 39 km of roads were worked on and this service has been very successful.

A service fuel tanker was designed and purpose built to facilitate the servicing of Plant in remote areas.

A water tanker was purpose built to service road maintenance compaction.

2.1 FUNCTIONAL MACRO ORGANISATIONAL STRUCTURE

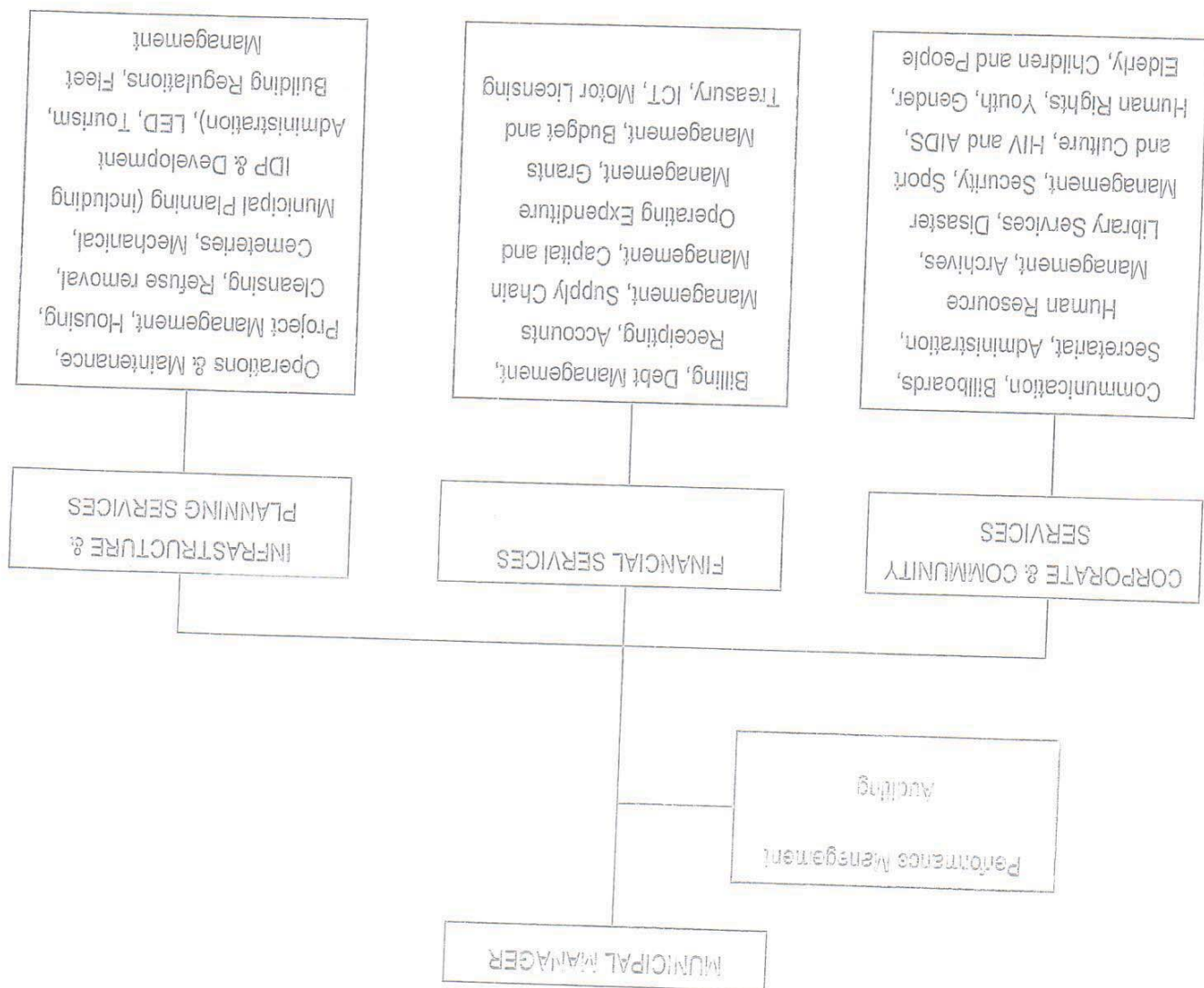


Table 3.1: Total Staff Establishment for the year 2010/2011

Race	Gender	2009/2010	2010/2011
African	Male	37	
African	Female	23	
Coloured	Male	1	
Coloured	Female	0	
Indian	Male	0	
Indian	Female	0	
White	Male	1	
White	Female	0	
Total	Male	39	
Total	Female	23	
Total Employees		62	

For the period 2009/2010 the male percentage of employees was 63% and the female percentage was 37%.

By the period 2010/2011 the male was 65 % and female percentage was 35 %. Automatically there is a little change within Impendle Municipality workforce movement. Based on the Employment Equity Plan for Impendle Municipality, numerical goals and targets have changed from top management to clerical and administration level which has affected the change of percentage in terms of gender equity.

Table 3.2: Staff Breakdown per Functional Area

Function	Filled	Vacant	Total
Corporate and Community Services	27	3	
Infrastructure and Planning Services	15	4	
Executive and Council	0	8	
Financial Services			

3.3 EMPLOYMENT EQUITY STATISTICS ENDING 30 JUNE 2011

This statistics focuses on Employment Equity Plan numerical goals and target covering five year plan which is based on the demographic norms and benchmarks of Economically Active Population.

3.4 EMPLOYMENT EQUITY

- The municipality is in the process of constructing an Employment Equity Plan in line with the guidelines prepared by the Department of Labour, Communicating awareness and training, Consultation, Allocating resources, and
- To meet the municipality's obligations under the Act, particularly with regard to Chap 3

Table 3.3: Workplace Demographics

Workplace Population	Male		Female		Total Employees	
	B	C	I	W	B	C
Number of Employees	44	1	0	1	24	0
Percentage	68	2	0	2	44	0
					0	0
					0	0

Over 99% of the population of Impende is African in composition and the area is largely rural with no major employment opportunities. About 99, 5 of the employees in the municipality are African.

Table 3.4: Employment Statistics by occupational category

EMPLOYMENT CATEGORY	RACE				TOTAL			
	M	F	African	Coloured	Indian	M	F	White
SOC 100 Legislators	5	2	0	0	0	0	0	0
SOC 100 Directors & Corporate Managers	3	0	0	0	0	0	1	0
SOC 200 Professionals	11	4	1	0	0	0	0	0
SOC 300 Technicians & Trade Workers	0	0	0	0	0	0	0	0
SOC 400 Community & Personal Service Workers	9	1	0	0	0	0	0	0
SOC 500 Clerical & Administrative Workers	1	10	0	0	0	0	0	1
SOC 700 Machine Operators & Drivers	6	0	0	0	0	0	0	0
SOC 800 Labourers	8	7	0	0	0	0	0	0
Apprentices	2	2						2
Totals	45	26	1	0	0	0	1	0
Apprentices	2	2						2
TOTAL	43	24	1	0	0	0	1	0

3.2 STAFFING INFORMATION

Although not all vacancies were filled during the course of the year most key posts identified by Council were filled. There are still some strategic vacancies in the finance department that need to be filled.

3.2 EMPLOYEE ASSISTANCE PROGRAMME

Programme is being developed

Table 3.5: Medical Aid Schemes

SAMWUMED	LA HEALTH	HOSMED	BONITAS
6	4	6	5

Pension/Retirement Funds

Municipal Joint Pension Fund and Municipal Employees Pension